

(b) M/s. Hyundai Motors and M/s. Chennai Ford have not paid any corporation tax during the above period, as they have claimed loss in the Returns filed by them. During this period, there is no MNC which has not paid any central excise duty. An amount of Rs. 0.07 crores of central excise duty is outstanding against M/s. Hyundai Motors India Ltd., Chennai.

(c) Necessary legislative, fiscal and administrative measures are taken to recover the outstanding taxes. These include charging of interest and levy of penalty, as also coercive measures such as attachment of movable and immovable properties. Periodical review and monitoring of cases involving high demands are also made.

### **Expenditure Reforms Commission report**

1774. SHRI KARNENDU BHATTACHARJEE:

DR. D. MASTHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Expenditure Reforms Commission (ERC) has submitted its report to the Government;

(b) if so, the major recommendations of the Commission and the details of follow up action taken on the recommendations and if not, the reasons therefor; and

(c) if the answer to part (a) above be in the negative, by when the ERC is expected to submit its report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The Expenditure Reforms Commission will submit its final report within a period of one year. However, it may send its recommendations on quarterly basis. The Commission has since submitted its first report on food subsidy. The recommendation regarding modification of economic cost of wheat and rice has been implemented.

### **Taking over of Sikkim Bank Ltd. by UBI**

1775. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Union Bank of India has taken over all assets and liabilities of the Sikkim Bank Ltd.;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Union Bank would honour all commitments of the Sikkim Bank and pay to all bonafide depositors and investors of the erstwhile Sikkim Bank under various deposit and investment schemes; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Government of India, *vide* its Notifications Nos. S.O. 1256(E) and 1257(E) both dated 21st December, 1999, had sanctioned the Scheme of Amalgamation of Sikkim Bank Ltd. with Union Bank of India and specified 22 December, 1999 as the effective date of amalgamation in relation to the Scheme.

In terms of Para 3, Chapter II of the Scheme of Amalgamation as on and from the prescribed date all rights, powers, claims, demands, interests, authorities, privileges benefits, assets and properties of the transferor bank, movable and immovable, stand transferred to, and become the properties and assets of the transferee bank and on and from the prescribed date all the liabilities, duties and obligations of the transferee bank to the extent and in the manner provided.

(c) and (d) In terms of Para 5 of Chapter II of the Scheme of Amalgamation, the transferee bank shall, in consultation with the transferor bank, value the property and assets and reckon the liabilities of the transferor bank in accordance with the provisions therein.

As regards payment to depositors and creditors the same has been prescribed in Para 6, Chapter III of the Scheme of Amalgamation. Accordingly, the transferee bank will have recourse to the Deposit Insurance & Credit Guarantee Corporation (DICGC) for receiving the deposit insurance claim amount after following the prescribed procedure. After receipt of the claim amount from DICGC, the same will be credited to the accounts of depositors of erstwhile Sikkim Bank Ltd.

As regards payment to the investors of the Bank *i.e.* members of the transferor bank, the same will be regulated in terms of the provisions of Para 7 of Chapter III under the head Rights and Liabilities of the members of the transferor Bank.

Assets and Liabilities of the erstwhile Sikkim Bank Limited have been assessed by the auditors appointed by the Union Bank of India and action has

been initiated for making payment to the depositors and investors in accordance with the notified scheme.

**Official Going Abroad**

1776. DR. MAHESH CHANDRA SHARMA:  
SHRI RAMDAS AGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) the number of Government Officials of the rank of JS and above who have been allowed to go abroad on official tours during the past three years, with their names and desination, year-wise;

(b) the sanctioning authority and the limit of foreign exchange incurred on each of them;

(c) the object/purpose behind such tours; and

(d) whether the financial burden on Government is increasing in terms of foreign exchange by such tours?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Relevant information being not centrally available, it is being collected from all the Ministeries and Departments. This will be laid on the table of the House as early as possible.

**Suggestion for Reduction of Sales Tax by NIPF**

1777. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that National Institute of Public Finance has in its report suggested reduction of Central sales tax;

(b) if so, what are the other recommendations made in the report; and

(c) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) and (b) Following are the important recommendations made by NIPF in its report on 'Reform of Inter-State Sales Taxation in India':

(i) The maximum rate of CST may be reduced to 3% w.e.f. April, 2001 to 1% from the beginning of 2003 (with rebate on input tax paid) and to zero per cent thereafter (with full set off for input tax paid);